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AIDAC
SIPDIS

USAID/DCHA/FFP J BORNS
STATE FOR AF/E, EEB/TPP/ABT/ATP
USAID/AFR/AA KATE ALMQIST AND EARL GAST
USAID/AFR/EA CARRIE THOMPSON, TANYA DALTON
USAID/DCHA/AA MICHAEL HESS
USAID/EAST AFRICA CHERYL ANDERSON, ANDY KARAS, MICHELLE LINDER, JIM
HOPE, SHIRLEY ERVES

E.O. 12958: N/A

TAGS: [EAGR](#) [EAID](#) [ETRD](#) [ECON](#) [PGOV](#) [DJ](#)

SUBJECT: DJIBOUTI - CABINET DIRECTOR DISCUSSES ECONOMIC DEVELOPMENT
GOALS

¶1. On October 13, the USAID Representative and the USAID FSN Program Development Specialist met with the Director of the Presidential Cabinet, Mr. Abdi Achkir, and his staff to discuss USAID food aid donations to Djibouti. The USAID Representative explained that 2,300 metric tons of vegetable oil, flour, and corn soy blend (CSB), valued at \$2.3 million, are earmarked for Djibouti.

¶2. Mr. Achkir asked for more details on where the food was distributed, praised USAID for the work done in health and education, and asked whether USAID would expand to other sectors. He said that the Government of Djibouti has a grand ambition to make Djibouti the "Dubai of Africa." He noted that 100 companies occupy the Free Zone Terminal and that Djibouti has a growth rate of 5 percent.

¶3. The USAID Representative agreed that the port is a very impressive achievement, but said that there is still a great deal of poverty in the country, making people question why there is not more broad-based economic growth. Mr. Achkir said that President Guelleh recognized that this was a problem last year, which motivated his launch of the National Initiative on Social Development (INDS), the Government's plan to address both urban and rural poverty.

¶4. Mr. Achkir went on to say that other countries that have similar demographics--like Brazil, where the minority is very rich and the majority is very poor --are susceptible to revolts and instability. He said that the Government of Djibouti recognizes that stability and peace can not be assured, if there are poverty, slums, hunger, and food riots. Mr. Achkir stated that the INDS aims at preventing social unrest between the haves and have-nots, and keeping a stable and conducive environment for investment.

¶5. COMMENT: Although the meeting was called to discuss food aid distribution, it turned into a much broader and frank discussion about the Government of Djibouti's development priorities. Mr. Achkir was extremely articulate when he explained that the Government realized that there were consequences with putting all their eggs into the investment basket, and he was equally honest when he stated that the Government now knew that it must address core development goals if it expected to fulfill the dream of becoming the 'Dubai of Africa'. The steady increase in the health and education budgets, currently representing 10% and 28% of the national budgets respectively, indicates the Government's evolving priorities. END COMMENT.

SWAN